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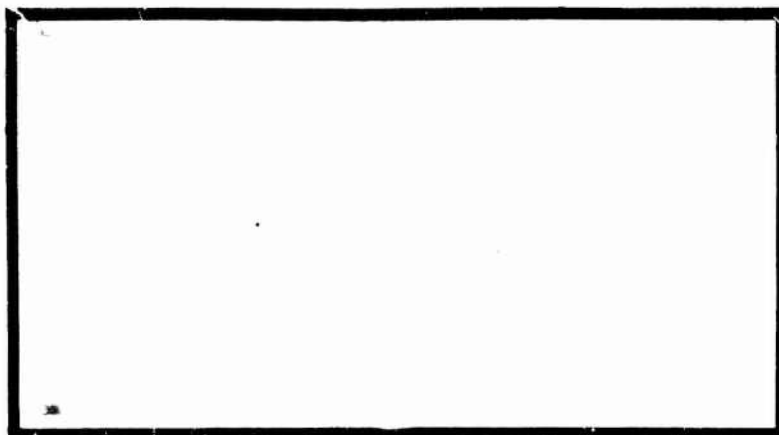
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A COMPENDIUM OF MILITARY ASSISTANCE
AND FOREIGN MILITARY SALES PROGRAMS BY
GEOGRAPHIC AREA AND COUNTRY

Major Larry E. Hofmann

SLSR-26-71B

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⑥ A COMPENDIUM OF MILITARY ASSISTANCE AND
FOREIGN MILITARY SALES PROGRAMS BY
GEOGRAPHIC AREA AND COUNTRY.

⑨ Master's thesis,

A Thesis

Presented to the Faculty of the School of Systems and Logistics
of the Air Force Institute of Technology

Air University

In Partial Fulfillment of the Requirements for the
Degree of Master of Science in Logistics Management

by

⑪ Larry E. Hofmann, B.S.
Major, USAF

⑪ August 1972

⑫ 70 p.

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1473

This thesis, written by

Major Larry E. Hofmann

Has been approved by the undersigned on behalf of the faculty
of the School of Systems and Logistics in partial fulfillment
of the requirements for the degree of

MASTER OF SCIENCE IN LOGISTICS MANAGEMENT

Date: 12 August 1971

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Chapter 1

General

Problem Statement

There currently exists no single document or compendium of the United States Military Assistance and Military Sales Programs, for the Military managers' use; nor is there a readily available source document showing an overall comparison of the relationship between Military Assistance (MAP) and Foreign Military Sales (FMS) Programs and the evolution of FMS from the original MAP aid policies.

Introduction

The Twentieth Century has witnessed continuous threats to world peace. Besides the two world wars there have been numerous other crises throughout the world.

Although the United States had given certain amounts of aid to the Latin American countries throughout the first part of the twentieth century, not until the early nineteen forties did they furnish weapons to a foreign power outside the Western hemisphere on a non-reimbursable basis. The transfer of fifty destroyers to Britain in 1940 was our first step toward becoming the free world arsenal of the western world.

The involvement of the U.S. as the arsenal of democracy increased drastically with the introduction of the

Lend Lease Program in March of 1941. This program or act gave the President the authority "to authorize the manufacture of defense articles---for any government whose defense he deemed vital to the defense of the United States, and to sell, transfer title to, exchange, lease, lend or otherwise dispose of to any such government any defense article".¹ The Lend Lease Program resulted in a total dollar cost of over 48.5 billion dollars by the end of World War II.² The prime beneficiaries of the program were of course the British Empire and ironically the Soviet Union.

At the end of World War II the United States assumed the role of leader of the free world nations. This was of course a radical departure from pre-World War II isolationism. Since the early nineteen fifties the threat of Communist advances has loomed as a menace on the horizon of World Peace. This threat has taken many forms; from overt aggression as in Korea and Vietnam to internal subversion, and economic penetration of the countries of the free world. Former President Eisenhower very aptly described this threat when he stated: "International Communism has demonstrated repeatedly that its leaders are quite willing to launch aggression by violence---and are even more ready to expand by propaganda and subversion, economic penetration and exploitation.

¹ Information and Guidance on Military Assistance, Grant Aid and Foreign Military Sales, Eleventh Edition (Department of the Air Force, Government Printing Office, Washington D.C., 1968, p. 1.

² Ibid., p. 2.

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Mostly, they use a combination of all these methods".¹

For these reasons, the U.S. became an active participant in several collective security organizations, formed to deter the Communist advance.² In addition economic and military assistance, was given to assist many nations in their development, and to preclude the collapse of several of these nations.

Background

Historically the overall Military Assistance and Sales Programs of the current day evolved from the Marshall Plan aid to the member nations of the Organization for European Economic Cooperation (OEEC) following World War II.

On June 5, 1947, General George C. Marshall, then Secretary of State, in an address delivered at Harvard University proposed that the European countries draw up a program "to place Europe on its feet economically", and promised American support for such a program "so far as it may be practical".³ The results of this proposal was the Marshall Plan. Toward the end of 1947 Congress approved a \$522 million program of interim aid to France, Italy and Austria. The following April President Truman signed the Foreign Assistance Act of 1948 which laid the foundation

¹Information and Guidance on Military Assistance, op cit., p. 1.

²Ibid., p. 3.

³"Economic Cooperation Administration, The (The Marshall Plan)" Encyclopedia Americana (1968) IX, 556b.

for a four-year European recovery program.¹ The Marshall Plan did not assist the European nations militarily; however, the assistance rendered under the plan led to the economic recovery of these nations so that they could begin to assume a role in defense of the free world. Thru the Marshall Plan over 12.5 billion dollars in aid were given to the plan recipients.²

In June 1949 with the ratification of the North Atlantic Treaty Organization (NATO) the United States became fully committed to the support of the Western European countries. The U.S. subsequently became part of the Southeast Asia Treaty Organization (SEATO); the Australia, New Zealand, United States Treaty (ANZUS); the Organization of American States (OAS); and became a contributor to the Central Treaty Organization (CENTO).³

The Mutual Defense Assistance Control Act of 1951 actually formalized, thru grant aid, military assistance to the European nations.⁴ Although the scope of the initial program was relatively small it grew to a sizeable grant aid program by the late 1950's and early '60's. The basic purpose of the Military Assistance Grant Aid Program (MAP)

¹"Economic Cooperation Administration, The (The Marshall Plan)" Encyclopedia Americana (1968) IX, 556b.

²Information and Guidance on Military Assistance, op cit., p. 3.

³Information and Guidance on Military Assistance, op cit., p. 3.

⁴22 U.S.C.A. §-2364.

was to provide for internal security, self-defense, and free world deterrent forces to counter any offensive threat which might befall our allies; and thus safeguard the security of the United States and the security of our allies.¹ Under this program aid was provided to those allies who were for economic reasons, unable to provide deterrent forces through their own means. It should be further noted that aid has been, and is to date given to buy concessions of base or port rights for the United States in strategic areas of the world. Many examples of these concessions could be cited; however, a few specifics demonstrate this point: consider for example, the origin and termination points of U-2 reconnaissance flights of the '60's; locations of communications/intelligence listening posts utilized by the United States; observation of certain key waterways; satellite tracking stations; and of course, actual air bases. Throughout the 1950's the Military Grant Aid Program was the only true form of military assistance.

With the Foreign Assistance Act of 1961 and its annual amendments, and finally the Foreign Military Sales Act of 1968 (P.L. 90-629), military assistance took on a new form. That is we continued the Grant Aid Program but to a lesser degree and began the Foreign Military Sales Program. The basic purpose of the Foreign Military Sales Program is nearly synonymous with the original Grant Aid Program; however a further purpose was to reduce the expenditures of the United

¹22 U.S.C.A. § 2312.

States in maintaining the free world deterrent force, by causing those countries with the economic capability, to assume a share of the economic burden for that deterrent force.¹

It is noted that the military assistance funds authorized by Congress in the Act of 1967 were the lowest in the history of the modern day foreign aid legislation. In addition to the drastic cuts in dollar authorization, the Act of 1967 placed major new restrictions on the use of funds. On signing the Act of 1967, President Johnson remarked that the act reaffirmed the basic principles which have guided America's foreign policy for the past two decades, and noted that it demonstrated our readiness to help those countries who help themselves. He further stated that he would be remiss in his duty if he failed to voice his conviction, that "the money cuts and other restrictions in this act will seriously inhibit this government's efforts to assure and enlarge the security of the free world". He further stated that "for 20 years we have recognized the link between that security and our own---and---we should not lose sight of it now". He continued that "the lesson of history is that a community of independent and prosperous nations is the best long-term guaranty for a secure America in a peaceful world".²

¹22 U.S.C.A. § 2751.

²Information and Guidance on Military Assistance,
op. cit., p. 5.

Types of Military Assistance Agreements

The Military Assistance Program operates under the provisions of the U.S. Legislation, treaties, and other international agreements. These agreements follow two basic forms; ie: the Treaty and Executive Agreements. The more formal is of course the treaty which required ratification and Congressional approval. The most commonly used however, is the Executive Agreement. The full spectrum of Military Aid agreements have been grouped and identified as follow:¹

Grant Aid Bilateral Agreement - Under this type agreement the U.S. agrees to furnish certain material, training or other assistance which in turn obligate the recipient nation to agree to certain terms regarding the use, transfer, or disposition of the aid items throughout their life cycle.

Special Grant Aid Agreements - Again the U.S. agrees to provide certain assistance; the recipient nation on the other hand, may not be required to agree to all or any of the restrictions normally inherent to Bilateral agreements.

Mutual Security Agreements - These are modifications of earlier Bilateral agreements, placing new restrictions on these agreements. All later type Bilateral agreements follow these specifications.

Foreign Military Sales (FMS) Bilateral Agreements - All grant aid recipients may utilize FMS. In addi-

¹Information and Guidance on Military Assistance,
op. cit., p. 4-9.

tion, certain nations not a part of a grant aid Bilateral agreement, may make FMS Bilateral agreements with the U.S., if it is deemed in the interest of the U.S.

Cost Sharing Agreements - These agreements are represented by joint sharing of the cost of military items by the U.S. and the recipient nation according to pre-established formulas.

Weapons Production Agreements (WPP) - These programs were designed to assist the host nations in establishing or expanding their in-country manufacture and/or maintenance of weapons facilities. The cost of these programs follow either a grant aid or cost sharing financial policy.

Mutual Weapons Development Program Agreements (MWDP) - The objective of this type agreement has been to increase the defense capability of the U.S. and its ally by accelerating the research and development of advanced weapons. Technical advice and a portion of the financing is furnished by the United States.

Offshore Procurement Agreements - Under these agreements certain mutual defense items are financed through the IAP and purchased from the host or recipient countries' military, or primarily, commercial facilities.

IAP Disposal Agreements - This type agreement provides that as defense items provided under the IAP become surplus to the recipient's requirements the items are

reported to the United States for final disposition instructions and authority.

Vessel Loan Agreements - These agreements specifically enumerate the conditions and stipulations of the loan of vessels to friendly nations. Matters such as duration of the loan, provisioning of consumables, and fuel are specified herein.

Military Mission Agreements - These agreements authorize the President to furnish military personnel to host countries to assist in military affairs.

Special Military Assistance Advisory Group Agreements (MAAG's) - Basically agreements of this type specify that the mission or MAAG personnel will assume an advisory role in the host nation and advise the host on the use of military equipment and operations. This group operates under the control and direction of the Chief of the U.S. Mission or Embassy.

Mutual Defense Treaties - Included herein are both bilateral defense treaties and multilateral pacts such as NATO, SEATO, etc. Under this type agreement or treaty the U.S. has a commitment to provide some degree of military response should the participants of the treaty come under attack by hostile forces. In all other assistance agreements listed above, this is not the case (unless the agreement is supplementary to this type treaty).

Atomic Energy Agreements - These agreements take the form of mutual cooperation agreements on the uses of

atomic energy for mutual defense. These agreements provide for the use of atomic weapons by the recipient country should such action be deemed necessary by the U.S. Only nine NATO countries are involved in this type agreement. They are: Belgium, Canada, France, Germany, Greece, Italy, The Netherlands, Turkey and The United Kingdom.

Tax Relief Agreements - Basically these agreements provide relief from import taxes on items of military hardware furnished to the host nations' military forces.

Patent Agreements - These agreements provide for interchange of technical data for defense but provide patent safeguards to the patent right holders.

Numerous documents and studies are available regarding the total dollar value of these programs, as are available numerous documents and studies of individual countries and/or areas. However, as stated earlier no single document or compendium compares the overall magnitude of the program since its inception.

Chapter 2

Purpose and Procedures

Objective

→ The prime objective of this thesis was to compile a compendium of all Military Assistance dollar expenditures by country, by year, since the inception of the current program. A secondary objective was to illustrate that the trend during the 1960's in the Military Assistance Program was from Grant Aid Military Assistance (MAP) to Foreign Military Sales (FMS).

Scope

This study has been limited to the modern day period of Military Assistance, ie: 1950-1970. During this period the United States has had Military Assistance relationships with eighty-six nations. The thesis does not delve into dollar equivalents spent by MAP/FMS recipients in-country to augment total country defenses. Discussions with an individual who attempted this on a small scale, indicated that foreign nations are for the most part unwilling to release this information to a researcher.¹ Personal experience in an assignment to the Joint United States Military Mission for Aid to Turkey (JUSMMAT) indicate that this is in fact the case.

¹Suslo LTC USA, Personal Interview, Dec. 14, 1970.

Therefore this paper considers only the data related to the United States Military Assistance Program. Further, this paper does not include all aspects of the Military Assistance Program, since classified data and Military Assistance Service Funded data has been omitted. It does, however, provide a compendium of all unclassified dollar value data related to the United States Military Assistance role.

Data Sources and Methodology

Particularly useful as sources of data were the Congressional Record, the records of Congressional Hearings, and the Military Assistance and Foreign Military Sales Facts publication of the Department of Defense, Office of Assistant Secretary of Defense (International Security Affairs). Other useful sources have been the Military Assistance Manual, the United States Code annotated, and the U.S. Statistical Abstract. The prime method of collecting the data presented herein, was to research each publication and compare its content with other available data. The tables and figures presented within this report are the result of interpretation of the data contained in each of these source documents, and where variances or discrepancies existed, checking the information for validity, and recording the best estimate of the true data. Certain data elements were omitted due to classification of the data. All care was taken to exclude classified data. It should be iterated that no new or startling data or facts are contained in this compendium. However, every attempt was made to provide the data listed in the form

specified in the objective of this project. The most feasible method of presentation of this type data was deemed to be the tabular form (Tables and Figures).

The total dollar value of military assistance has been presented in its two parts. That is, total dollar value of Grant Aid is presented in tables entitled Military Assistance Program (Grant Aid), and total dollar value for Foreign Military Sales is presented in tables entitled Deliveries of Foreign Military Sales. Each table or series of tables contains pertinent data for each country within specified geographic areas. The geographical areas have been identified as follows: East Asia/Pacific; Near East and South Asia; Europe; Latin America; and Africa. The succeeding chapters therefore, contain tables and analysis of the data by geographic area, by country. Chapter 3 lists data for East Asia and the Pacific; Chapter 4 Near East and South Asia; Chapter 5 Europe; Chapter 6 Latin America; and Chapter 7 Africa. Both Grant Aid and Foreign Military Sales data for the respective countries has been included in the corresponding chapters. Further, each chapter includes a summary table depicting the total dollar value of Grant Aid and Foreign Military Sales by country. A narrative analysis of trends in the Military Assistance Program from Grant Aid to Foreign Military Sales is included in each of the five chapters. A final Summary Chapter contains tables and figures representing United States total dollar contributions to the overall Military Assistance Program world-wide by year for the entire 1950-1970 period.

Chapter 3

Military Assistance to East Asia and Pacific

This Chapter relates the extent of United States Military Assistance to the East Asia and Pacific geographic area of the world.

United States involvement on a sizeable scale in the East Asia and Pacific area first occurred in 1951 when military aid of over one hundred million dollars was granted to French Indochina (Indochina was comprised of Cambodia, Laos, and Vietnam from 1946 until the fall of Dien Bien Phu in 1954 and the resulting Geneva Agreements of July 1954). Although aid was given to Indochina in 1955, all later aid was to the governments of the respective states of Cambodia, Laos and South Vietnam from 1955 forward.

The second major United States Military Assistance program in this area was to Nationalist China beginning in earnest in 1953. In 1956 the United States Military Assistance to Korea assumed large proportions. Military Assistance to those countries has continued at a sizeable figure ever since.

Since the inception of the program, the East Asia and Pacific area ranks second in total dollar value of Military Assistance Grant Aid received. It is interesting to note, however, that in 1959 the East Asia and Pacific

area became the leading recipient of United States Military Assistance Grant Aid. Although in 1960 the East Asia and Pacific area fell to second position in dollar value of Grant Aid, it became the leader again in 1961 and has remained the number one recipient since that time. This United States emphasis in the East Asia and Pacific area was a result of increasing concern of the United States in the communist threat of take over in that area. Table 3.1 reveals the dollar value increases in the area through 1966. Data thereafter, however, depicts an unreal decrease in total dollar value for the geographic area program. The reason for the decrease of course was the implementation of the Military Assistance Service Funded (MASF) program for Vietnam in 1967 and also for Laos and Thailand in 1968. Had this program not come into existence the dollar value of the Grant Aid program to the East Asia and Pacific area would be many times that reflected in Table 3.1.

Tables 3.1 and 3.3 also reveal that of the ten nations world-wide which have received over one billion dollars of Military Assistance Grant Aid, three are in the East Asia and Pacific area. Grant Aid to Korea for instance, is the second highest overall dollar total, and the program to the Republic of China is the fourth highest overall dollar total of all nations world-wide since the inception of the program. Although Vietnam ranks seventh in overall total dollar value, without the MASF program, the Vietnam program would undoubtedly rank near if not at the number one

position in total dollar value of Military Assistance Grant Aid.

Table 3.2 reflects the trend increase in Foreign Military Sales (FMS) deliveries in the East Asia and Pacific area. FMS deliveries during the period 1965 thru 1970 show nearly a three hundred percent increase in dollar value over the period 1950-1964. Approximately eighty-one percent of the total United States Foreign Military Sales to the East Asia and Pacific area during the entire period were made to the two most economically sound countries of the area; Australia (a non-MAP Grant Aid country) and Japan.

Overall the East Asia and Pacific area ranked third of the five geographic areas, in the Foreign Military Sales program with slightly over ten percent of the total FMS dollar value deliveries.

Table 3.1

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1950-1956
(IN MILLIONS OF DOLLARS)

Area: East Asia And Pacific		Fiscal Year					
Country	1950	1951	1952	1953	1954	1955	1956
Cambodia	-	-	-	-	-	-	23.7
China (Rep. of)	-	9.5	38.5	173.8	154.3	297.1	345.1
Indochina	.3	104.3	140.5	362.8	409.0	71.4	(230.7)
Indonesia	*	2.5	1.4	.2	*	*	-
Japan	-	-	-	-	.5	39.3	97.9
Korea	.1	10.8	.8	3.7	3.4	20.2	201.5
Laos	-	-	-	-	-	-	27.4
Malaysia	-	-	-	-	-	-	-
Philippines	1.5	6.9	11.2	34.5	12.0	15.7	33.3
Thailand	-	4.3	12.0	55.8	38.9	40.8	43.4
Vietnam	-	-	-	-	-	-	167.3
East Asia and Pacific Area	*	1.8	.1	*	.1	1.3	2.5
Totals	31.9	140.3	3204.5	3630.8	3618.2	3485.8	3711.4

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

() Indicates negative amount.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 3.1 (continued)
 MILITARY ASSISTANCE PROGRAM (GRANT AID)
 FISCAL YEARS 1957-1963
 (IN MILLIONS OF DOLLARS)

Area: East Asia And Pacific		Fiscal Year					
Country	1957	1958	1959	1960	1961	1962	1963
Cambodia	20.9	7.9	3.9	2.9	5.4	8.7	9.9
China (Rep. of)	169.8	149.6	232.7	135.9	84.4	84.4	76.3
Indochina	(129.8)	(11.3)	(6.7)	(.4)	.2	-	-
Indonesia	-	-	10.6	5.3	8.5	16.3	13.9
Japan	111.1	130.9	131.5	85.8	66.9	74.0	33.9
Korea	258.8	331.1	190.5	187.1	192.2	136.9	160.4
Laos	4.3	5.4	7.5	13.1	33.4	37.1	@
Malaysia	-	-	-	-	-	-	-
Philippines	23.7	21.1	20.5	19.5	23.6	20.5	23.7
Thailand	26.2	19.7	18.0	20.1	23.9	39.1	68.5
Vietnam	110.5	53.2	41.9	70.9	65.0	144.0	185.6
East Asia and Pacific Area	14.5	27.3	74.2	34.8	49.1	35.3	74.2
Totals	610.0	3734.9	3724.6	3575.3	3552.6	3596.3	3646.3

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

@ Indicates classified data.
 () Indicates negative amount.
 NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
 NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 3.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)

FISCAL YEARS 1964-1970

(IN MILLIONS OF DOLLARS)

Area: East Asia And Pacific		Fiscal Year					
Country	1964	1965	1966	1967	1968	1969	1970
Cambodia	3.6	3	-	-	-	-	4.8
China (Rep. of)	120.1	84.8	76.5	70.4	115.0	53.5	37.9
Indochina	-	-	-	-	-	-	-
Indonesia	7.2	2.1	7	7	3.1	3.8	4.0
Japan	18.6	29.6	1.2	29.1	3.6	3	6
Korea	124.4	173.1	153.1	149.8	197.4	210.0	216.3
Laos	@	@	@	@	+	+	+
Malaysia	-	*	2	2	2	2	2
Philippines	10.7	18.2	26.0	21.0	29.1	18.8	15.7
Thailand	52.7	36.4	40.8	44.0	+	+	+
Vietnam	135.2	274.7	169.9	+	+	+	+
East Asia and Pacific Area	12.6	59.2	68.3	82.9	3.1	2.6	2.4
Totals	\$550.1	\$678.4	\$536.6	\$398.2	\$351.5	\$291.0	\$281.8

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

+ Amounts included under Military Assistance Service Funded (MASF) Program.

@ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because

of their sensitive nature are included in the "Area Program" regional lines.

Table 3.2

DELIVERIES OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area: East Asia And Pacific		Fiscal Year					
Country	1950-1964	1965	1966	1967	1968	1969	1970
Australia	136.3	30.8	66.2	78.6	127.8	113.0	52.5
China (Rep. of)	1.2	.8	1.3	4.4	10.9	13.5	36.9
Indochina	7.9	-	-	-	-	-	-
Indonesia	66.4	-	2	-	-	-	-
Japan	66.4	25.1	18.8	14.1	41.3	12.4	19.4
Korea	.3	-	-	-	1.5	1.7	1.9
Malaysia	3.7	-	1	4	10.7	1.1	2.7
New Zealand	3.9	3.0	9.1	18.9	9.1	11.6	10.1
Philippines	-	.5	.4	-	4	2	.8
Singapore	1.2	-	-	-	13.4	6.5	.2
Thailand	-	-	-	-	-	-	-
Vietnam	-	-	-	-	-	-	-
East Asia and Pacific Area	1.1	*	1	2	*	1	3
Totals	222.3	60.2	86.2	116.7	215.1	159.3	124.8

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 3.3
EAST ASIA AND PACIFIC MILITARY ASSISTANCE TOTALS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Country	Grant Aid Totals	Foreign Military Sales Totals
Australia	-	605.1
Cambodia	92.0	-
China (Rep. of)	2,517.6	69.1
Indochina	746.2	7.9
Indonesia	80.3	.6
Japan	854.8	197.5
Korea	2,921.3	4.5
Laos	128.2	-
Malaysia	1.0	15.1
New Zealand	-	65.4
Philippines	407.2	6.2
Singapore	-	20.1
Thailand	584.6	1.3
Vietnam	1,463.2	* 1.8
East Asia and Pacific Area	553.3	-
East Asia and Pacific Totals	\$10,354.7	\$944.6

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Chapter 4

Military Assistance to the Near East and South Asia Area

This Chapter relates the extent of United States Military Assistance to the Near East and South Asia geographic area of the world. This program formally began with Military Assistance to Greece and Turkey in 1950. In actuality, our assistance to these two nations began with the implementation of the Truman Doctrine in 1947,¹ and the authorization of \$400 million dollars in aid to Greece and Turkey

Although the Near East and South Asia (NESA) area ranks third in total dollar value of Military Assistance Grant Aid received, Table 4.1 shows that of the program for the fourteen countries in the NESA area, only two appear in the top ten list of overall recipients of Military Assistance Grant Aid. Turkey, the third largest dollar value recipient, and Greece, the sixth largest dollar recipient world-wide, account for over seventy percent of the geographic area dollar total. (See Table 4.3).

Although the Near East and South Asia area ranks third overall in dollar value received since the inception

¹Clem, Harold J., Collective Defense and Foreign Assistance, U.S. Industrial College of the Armed Forces, Washington, D.C., July 1968, p. 3.

of the Grant Aid program, the area ranked second in dollar value received during the period 1961 thru 1970. This emphasis reflects the concern of the United States for the necessity to guard against the communist threat and influence in this geographic area.

Table 4.2 reflects the greatest percentage increase in Foreign Military Sales (FMS) deliveries of all areas considered. During the period 1965-1970 the MESA area deliveries climbed over eight hundred and fifty percent above the amount delivered during the 1950-1964 period. Nearly one-third of the total Foreign Military Sales deliveries for the area was to Iran. The majority of the remainder of the deliveries were made to the classified countries of Israel, Jordan, Lebanon, Pakistan, Saudi Arabia and India. Turkey and Greece, the prime recipients of the Grant Aid Assistance are, due to the economic conditions of their countries, among the smaller purchasers participating in the Foreign Military Sales Program.

Overall the Near East and South Asia area ranked second in the Foreign Military Sales Program with over fifteen percent of the total FMS dollar value deliveries.

Table 4.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1957-1963
(IN MILLIONS OF DOLLARS)

Area: Near East And South Asia		Fiscal Year					
Country	1957	1958	1959	1960	1961	1962	1963
Afghanistan	-	*	.2	.2	.5	.6	.7
Ceylon	62.4	135.1	81.2	91.4	42.8	34.9	68.2
Greece	@	@	@	@	@	@	@
India	39.0	73.0	90.9	89.1	49.2	33.3	66.0
Iran	13.1	21.3	.1	.1	*	*	*
Iraq	-	8.5	2.2	2.9	1.9	2.6	2.5
Jordan	2.1	1.3	3.6	.2	.9	.2	.1
Lebanon	@	@	@	@	@	@	@
Nepal	@	@	@	@	@	@	@
Pakistan	@	@	@	@	@	@	@
Saudi Arabia	@	@	@	@	4.1	5.6	4.7
Syria	-	-	-	-	-	-	-
Turkey	152.4	249.4	196.4	92.6	85.9	156.4	160.8
Yemen	-	-	-	-	-	-	-
NESEA Area	96.7	104.0	109.3	84.4	63.6	36.6	109.2
Totals	3365.7	3592.6	3483.9	3360.9	\$248.9	\$264.6	\$408.2

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

@ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 4.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)

FISCAL YEARS 1964-1970

(IN MILLIONS OF DOLLARS)

Area: Near East And South Asia	Fiscal Year						
	1964	1965	1966	1967	1968	1969	1970
Afghanistan	.5	.1	.2	.1	.3	.3	.2
Ceylon	-	-	-	-	*	.1	.1
Greece	83.2	104.0	78.7	44.0	45.0	56.2	30.2
India	27.3	49.9	41.1	41.1	38.7	1.0	15.7
Iran	1.1	2.2	2.2	11.9	*	50.9	15.2
Iraq	8.1	4.6	2.8	1.1	2.1	1.8	1.0
Jordan	.1	.1	.1	.1	.1	.1	.1
Lebanon	.3	.3	.3	.5	.5	.2	*
Nepal	.3	.3	.3	*	.1	.1	.2
Pakistan	1.1	.8	1.5	.8	1.0	.6	.5
Saudi Arabia	101.6	118.4	100.5	118.5	130.9	180.8	116.6
Syria	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Yemen	.2	62.1	6.6	.2	.1	*	-
MESA Area	322.2	340.4	331.6	319.4	321.1	322.2	316.6
Totals	-	-	-	-	-	-	-

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

⊗ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because

of their sensitive nature are included in the "Area Program" regional lines.

Table K.2

DELIVERIES OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area: Near East And South Asia		Fiscal Year					
Country	1950-1964	1965	1966	1967	1968	1969	1970
Ceylon	*	-	.6	.8	*	*	.3
Greece	1.4	.4	.6	1.5	3.5	11.4	10.9
India	@	@	@	1.5	3.0	1.6	2.9
Iran	1.2	12.9	52.2	38.9	56.7	99.2	189.7
Iraq	1.9	.9	4.3	5.6	.2	*	-
Israel	4.3	17.5	@	@	@	@	@
Jordan	1.9	.9	@	@	@	@	@
Lebanon	.3	*	@	@	@	@	@
Pakistan	@	@	@	2.7	6.6	14.7	19.2
Saudi Arabia	75.9	5.8	@	@	@	@	@
Syria	-	-	-	-	*	-	-
Turkey	.3	*	.5	.3	.4	.4	3.4
USSA Area	84.0	2.6	57.2	94.8	85.7	165.6	311.4
Totals	\$171.2	\$41.2	\$114.8	\$144.5	\$156.1	\$292.9	\$537.8

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

@ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 4.3

NEAR EAST AND SOUTH ASIA MILITARY ASSISTANCE TOTALS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Country	Grant Aid Totals	Foreign Military Sales Totals
Afghanistan	4.0	-
Ceylon	.2	.3
Greece	1,479.4	29.1 @
India	816.2	450.7
Iran	46.2	12.9
Iraq	52.9	@
Jordan	9.1	@
Lebanon	*	-
Nepal	*	@
Pakistan	35.1	@
Saudi Arabia	1	*
Syria	2,350.1	5.2
Turkey	*	-
Yemen	740.4	960.3
NEA Area	36,073.6	\$1,458.5
NEA Totals		
Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.		

@ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Chapter 5

Military Assistance to Europe

The recovery of the nations of Europe from the devastation of World War II and the power vacuum that resulted from that War led the United States into what could be considered the largest "give away" of Military Assistance in the history of the World. Starting in 1950 with Grant Aid of \$37.1 million and reaching a peak of \$2,845.0 million in 1953, the Military Assistance Program to the nations of Europe led all geographic areas as recipients of Military Assistance Grant Aid.

The effectiveness of the Military Assistance Program to the nations of Europe can of course be well substantiated. Of the thirteen European countries to receive Grant Aid, all but one has been able to prevent the nation's fall to the communist ideology and form of government. Only Yugoslavia which received aid through 1958 has adopted the communist way of life and even though communist now, they operate under a different form of communism from that of Russia, her true satellites, and Red China. Grant Aid to Europe has at present reached a nominal figure. In 1970, Military Assistance Grant Aid to Europe reached a twenty-one year low of \$12.8 million. (See Table 5.1). This nominal figure has been reached due to

the growth of the European economy and the resultant ability of the nations of Europe to pay their own way in respect to national defense and security, and free world security.

Tables 5.1 and 5.3 reveal that of the top ten recipients of United States Grant Aid world-wide, five were European. France ranked number one in total dollar value received; Italy ranked fifth; Belgium ranked eighth; the Netherlands ninth; and the United Kingdom tenth.

The European area also leads all other geographic areas in dollar deliveries under the Foreign Military Sales Program. The combined deliveries to the European nations for the period were double the total of the four other geographic areas. Deliveries to West Germany alone exceeded the rest of the world deliveries by approximately \$250 million.

The combined European deliveries under Foreign Military Sales, amount to just under sixty percent of the total FMS deliveries world-wide. The reason for this has been the rapid recovery and economic expansion which has occurred throughout Western Europe since the end of World War II. Of those countries originally receiving Grant Aid only two have received more dollar value under Foreign Military Sales than they accepted under the Grant Aid Program. Those countries were Germany and the United Kingdom. It is interesting to note that France, the number one recipient of Grant Aid with receipts of over \$4 billion, has taken deliveries of only \$1.3 billion through the Foreign Military Sales Program.

It is anticipated that the Foreign Military Sales

Program will approach the one billion dollar annual level in Europe in the very near future.¹ This is evidence of the fact that many of the nations of Europe have reached a point where they can and are beginning to carry their share of the defense of the free world.

¹Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1971, p. 18.

Table 5.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1957-1963
(IN MILLIONS OF DOLLARS)

Area: Europe		Fiscal Year					
Country	1957	1958	1959	1960	1961	1962	1963
Austria	-	65.2	9.1	22.0	-	18.8	7.3
Belgium	43.0	23.6	27.2	36.5	33.4	15.0	13.0
Denmark	226.4	133.8	104.8	68.8	14.4	33.8	8.0
France	489.1	158.0	49.6	91.4	16.0	1.5	4
Germany	158.3	102.5	96.6	101.7	135.0	83.7	55.9
Italy	1.0	.8	.5	1	1	*	*
Luxembourg	68.7	72.5	22.8	49.4	30.3	12.8	18.9
Netherlands	44.2	58.0	40.1	34.1	13.2	24.9	22.9
Norway	19.3	18.9	16.7	10.1	3.4	4.4	8.7
Portugal	76.5	48.2	51.6	49.1	35.9	20.7	26.5
Spain	87.9	22.6	133.8	116.5	14.0	27.5	11.6
United Kingdom	17.1	34.1	(.9)	-	-	-	-
Yugoslavia	112.0	168.1	142.9	216.3	233.7	168.5	218.7
Europe Area	31,344.4	3906.3	8694.8	3796.0	5538.9	\$411.6	\$391.9
Total*							

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

() Indicates negative amount.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 5.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1964-1970
(IN MILLIONS OF DOLLARS)

Area: Europe		Fiscal Year					
Country	1964	1965	1966	1967	1968	1969	1970
Austria	39.6	4.8	1.6	1	1.9	*	*
Belgium	12.1	48.1	20.1	7.5	-	-	-
Denmark	5.2	3.4	-	-	-	-	-
France	40.0	81.6	3.2	5.5	-	-	-
Germany	10.7	49.7	#	2.8	-	-	-
Italy	41.1	35.3	42.8	32.6	24.2	11.0	1.3
Luxembourg	5.5	7.5	1.5	2.2	3.2	2.7	10.9
Netherlands	20.1	40.6	35.5	8.0	11.8	15.0	-
Norway	.3	.2	-	-	-	-	-
Portugal	1.4	3.6	1.4	.9	1.1	2.0	3
Spain	176.3	275.3	3106.1	\$59.6	\$42.3	\$30.8	\$12.8
United Kingdom	-	-	-	-	-	-	-
Yugoslavia	-	-	-	-	-	-	-
Europe Area	-	-	-	-	-	-	-
Totals	176.3	275.3	3106.1	\$59.6	\$42.3	\$30.8	\$12.8

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

③ Indicates classified data.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 5.2

DELIVERIES OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area: Europe		Fiscal Year						
Country	1950-1964	1965	1966	1967	1968	1969	1970	
Austria	14.3	19.6	4.1	1.8	2.3	1.0	8.7	
Belgium	77.1	7.0	6.6	9.3	6.5	8.6	7.9	
Denmark	25.3	4.0	5.1	8.1	7.3	25.1	10.9	
France	124.2	76.5	45.8	15.7	12.6	207.5	12.4	
Germany	1,565.3	300.5	373.8	309.1	156.3	207.5	226.2	
Iceland	*	-	-	-	*	-	-	
Ireland	-	-	-	-	-	50.4	50.4	
Italy	98.2	39.3	57.2	29.3	50.1	12.6	6.4	
Luxembourg	5	3.2	15.8	5.7	18.2	49.4	40.4	
Netherlands	38.5	2.9	14.0	17.9	16.2	14.6	1.1	
Norway	5.3	5	2	5	1.0	1.0	8.6	
Portugal	4.0	5.2	12.0	15.5	13.5	1.0	5	
Spain	2.6	1.8	7.9	3.1	5.7	369.5	43.7	
Sweden	23.3	21.8	66.2	156.9	270.5	369.5	221.5	
Switzerland	12.9	50.7	.4	.3	-	1.7	3	
United Kingdom	74.2	.6	-	-	-	-	-	
Yugoslavia	9.4	-	-	-	-	-	-	
Europe Area	32,075.2	3533.9	3610.2	3575.3	3561.6	750.2	3639.4	
Totals								

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 5.3

EUROPE MILITARY ASSISTANCE TOTALS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Country	Grant Aid Totals	Foreign Military Sales Totals
Austria	97.5	51.8
Belgium	1,237.7	115.0
Denmark	618.1	69.3
France	4,153.1	312.3
Germany	900.8	3,138.8
Iceland	-	*
Ireland	-	*
Italy	2,277.7	374.8
Luxembourg	8.2	1.9
Netherlands	1,216.8	100.4
Norway	887.2	146.1
Portugal	317.7	7.9
Spain	578.0	72.0
Sweden	-	30.5
Switzerland	-	103.8
United Kingdom	1,034.6	1,209.5
Yugoslavia	693.9	11.6
Europe Area	1,767.6	*
Europe Totals	315,735.9	\$5,745.8

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Chapter 6

Military Assistance to Latin America

This Chapter relates data concerning Military Assistance to the United States' Latin American neighbors. The history of Military Assistance to the Latin American countries has been one of giving only enough for the countries to maintain internal security. Great care has been taken by the United States to not create a strong military power in Latin America.¹ It must be pointed out, however, that while we have concerned ourselves with the affairs of East Asia and the Pacific; the Near East and South Asia; and Europe; and have given vast sums to the nations of these areas, our Military Assistance Grant Aid program and our Foreign Military Sales program to the Latin American countries have caused many of them to seek assistance from other sources.

The Military Assistance Program to Latin America has never been extensive. The largest single year Grant Aid total to the area was \$72.8 million in 1968. The largest individual country program was \$23.9 million to Brazil in 1961. (See Table 6.1). Only one country has received in the overall period over \$100 million; that too was Brazil with total Grant Aid receipts of \$217.5 million. (See Table 6.3).

The Foreign Military Sales program to Latin America has been restricted by Congress to a maximum of \$55 million

¹U.S.C.A. § 2319, Cumulative Annual Pocket Part 1970.

dollars in any fiscal year. While the United States delivered only \$36.6 million of sales to the Latin American geographic area in FY 1970, it is estimated that these same countries purchased over \$700 million from France and the United Kingdom during the same year.¹ Total Foreign Military Sales deliveries to Latin America account for less than five percent of the world-wide total.

¹Moye, John W., AFMC, Chief, Foreign Military Sales Division, Wright Patterson Air Force Base, Lecture in International Logistics, 9 July 1971.

Table 6.1

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1950-1956
(IN MILLIONS OF DOLLARS)

Area: Latin America		Fiscal Year					
Country	1950	1951	1952	1953	1954	1955	1956
Argentina	-	-	-	-	-	-	-
Bolivia	-	-	-	-	-	-	-
Brazil	-	-	-	3.0	17.6	12.7	7.7
Chile	-	-	-	1.3	6.7	4.0	2.6
Colombia	-	-	*	3.4	2.5	3.7	2.4
Costa Rica	-	-	-	.4	-	-	-
Cuba	-	-	-	-	1.1	1.6	1.7
Dominican Republic	-	-	-	-	*	1.9	1.2
Ecuador	-	-	.1	.9	2.3	1.8	1.8
El Salvador	-	-	-	-	-	-	-
Guatemala	-	-	-	-	-	-	3.8
Haiti	-	-	-	-	-	-	.1
Honduras	-	-	-	-	.2	.2	-
Jamaica	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	.3	.1
Nicaragua	-	-	-	-	.2	-	-
Panama	-	-	-	-	-	-	-
Paraguay	-	-	-	-	-	-	-
Peru	-	-	.1	2.2	3.5	3.6	2.3
Uruguay	-	-	-	-	.4	1.6	2.5
Venezuela	-	-	-	-	-	.4	-
Latin America Area	-	-	\$.2	\$11.2	\$34.5	\$31.8	\$23.5
Totals	-	-	\$.2	\$11.2	\$34.5	\$31.8	\$23.5

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 6.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1957-1963
(IN MILLIONS OF DOLLARS)

Area: Latin America	Fiscal Year						
Country	1957	1958	1959	1960	1961	1962	1963
Argentina	-	-	-	.1	.5	1.2	1.0
Bolivia	-	.1	.3	*	.4	2.2	2.4
Brazil	8.3	18.2	11.7	18.2	23.9	19.3	10.0
Chile	2.7	6.7	5.4	2.7	4.0	7.9	8.0
Colombia	2.3	2.6	2.5	2.7	3.2	5.8	8.3
Costa Rica	-	-	-	*	.1	.1	.6
Cuba	2.0	3.0	.4	.2	.1	-	-
Dominican Republic	1.2	.9	.7	.2	(*)	.2	1.9
Ecuador	1.7	2.5	1.6	2.5	2.0	2.3	2.6
El Salvador	-	-	-	*	.2	.6	1.0
Guatemala	.3	.1	*	.2	.4	1.3	2.6
Haiti	.7	.1	*	.4	.6	.5	.2
Honduras	.1	*	.1	.1	.3	1.5	*
Jamaica	-	-	-	-	-	-	*
Mexico	-	-	-	-	.1	.3	2.6
Nicaragua	.2	.2	.1	.2	.6	1.0	1.7
Panama	-	-	-	-	.1	.3	.5
Paraguay	-	-	-	-	.2	.6	5.2
Peru	3.4	5.2	4.1	2.5	4.4	4.6	2.1
Uruguay	3.7	5.5	4.0	1.4	2.9	3.4	1.0
Venezuela	-	-	-	-	*	.5	1.8
Latin America Area	327.1	345.6	331.5	332.3	345.0	354.3	351.8
Totals							

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

() Indicates negative amount.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 6.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1964-1970
(IN MILLIONS OF DOLLARS)

Area: Latin America		Fiscal Year					
Country	1964	1965	1966	1967	1968	1969	1970
Argentina	1.5	6.0	6.4	6.8	10.9	5.8	2.4
Bolivia	3.2	1.9	2.4	2.8	3.5	1.6	1.2
Brazil	9.1	11.4	9.5	13.4	12.6	6.6	4.3
Chile	7.8	6.3	8.4	4.8	7.5	2.7	2.0
Colombia	6.2	5.7	8.3	7.9	12.2	6.7	3.9
Costa Rica	.5	.2	.1	.1	.1	-	-
Cuba	-	-	-	.4	-	-	-
Dominican Republic	1.5	1.2	1.6	3.1	2.3	2.0	2.1
Ecuador	2.6	2.3	3.9	3.6	2.6	2.0	2.0
El Salvador	1.9	1.5	1.2	1.4	2.3	1.1	2.0
Guatemala	1.4	-	-	-	-	-	-
Haiti	.4	.7	.7	1.0	1.0	.6	.3
Honduras	.2	.4	-	.3	.3	-	-
Jamaica	.3	.2	.2	.2	.1	.1	.1
Mexico	1.2	1.2	1.0	1.0	1.3	.7	1.1
Nicaragua	1.1	.2	1.4	.5	.3	.4	.4
Panama	1.2	.9	1.0	1.1	1.8	1.0	.8
Paraguay	10.0	8.2	7.3	6.6	8.7	2.9	1.9
Peru	1.8	2.4	2.5	1.6	2.0	1.6	1.7
Uruguay	1.5	1.3	1.0	1.0	1.3	.9	.8
Venezuela	.5	3.0	1.8	1.3	1.0	.6	.2
Latin America Area	51.9	55.9	58.4	59.1	72.8	37.9	27.4
Totals							

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 6.2

DELIVERIES OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area: Latin America		Fiscal Year						
Country	1950-1964	1965	1966	1967	1968	1969	1970	
Argentina	46.4	1.9	.8	1.2	9.8	11.3	8.1	
Bolivia	.5	*	.2	.1	*	*	*	
Brazil	17.0	3.5	13.3	6.1	15.7	17.7	11.7	
Chile	14.0	1.5	1.5	1.7	2.1	2.1	10.0	
Colombia	10.1	.1	.2	.3	.1	.2	.2	
Costa Rica	.9	-	-	*	-	-	-	
Cuba	4.5	-	-	-	1	-	1	
Dominican Republic	1.4	*	*	.2	1.0	.2	.5	
Ecuador	2.5	*	*	.1	*	.4	.1	
El Salvador	.9	*	*	.2	.4	.1	.3	
Guatemala	.9	.5	.4	-	*	-	*	
Haiti	.2	-	-	-	*	.1	*	
Honduras	1.0	*	*	-	*	*	*	
Jamaica	-	-	-	-	.8	.1	.4	
Mexico	7.9	.5	.6	.5	.1	.1	.1	
Nicaragua	2.0	*	*	-	*	-	-	
Panama	*	-	-	-	*	-	-	
Paraguay	3	-	-	-	*	-	-	
Peru	36.2	1.0	3.5	1.6	4.7	.7	2.0	
Uruguay	2.3	*	-	-	*	*	.2	
Venezuela	60.4	7.8	4.7	12.5	12.2	2.4	3.0	
Latin America Area	209.5	16.9	25.2	24.5	47.3	35.3	36.6	
Totals								

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 6.3

LATIN AMERICA MILITARY ASSISTANCE TOTALS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Country	Grant Aid Totals	Foreign Military Sales Totals
Argentina	42.6	79.4
Bolivia	22.2	.9
Brazil	217.5	84.9
Chile	91.4	32.8
Colombia	90.4	11.3
Costa Rica	1.8	.9
Cuba	10.6	4.5
Dominican Republic	22.7	1.9
Ecuador	41.0	4.3
El Salvador	5.9	1.5
Guatemala	16.2	2.7
Haiti	3.2	.2
Honduras	7.3	1.1
Jamaica	1.1	*
Mexico	1.8	10.8
Nicaragua	12.0	2.3
Panama	3.4	*
Paraguay	8.7	.4
Peru	86.7	49.7
Uruguay	41.1	2.5
Venezuela	9.3	103.1
Latin America Area	15.3	-
Latin America Totals	\$752.2	\$395.2

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Chapter 7

Military Assistance to Africa

The African geographic area has been the smallest of dollar value recipients of United States Grant Aid and also the smallest participant dollarwise in the Foreign Military Sales program. For instance, the total Grant Aid program for all the nations of Africa has been approximately two-thirds that of Portugal. Grant Aid to Belgium in 1953 alone, surpassed the total Grant Aid to Africa during the entire program.

The program to Africa did not begin until 1954 and then only to one country, Ethiopia. By 1960 only four nations were receiving Grant Aid from the United States. (See Table 7.1). The United States philosophy as regards aid to Africa is basically that which we have applied to Latin America; that is, to provide aid only for internal security.

The economic conditions of the countries of Africa have resulted in the low dollar value participation by the countries of Africa in the Foreign Military Sales program. Through 1970 less than one percent of the FMS deliveries were to the combined African nations. Although some growth in African participation in the Foreign Military Sales program is anticipated, it is expected that the total dollar deliveries to Africa will remain below \$20 million for the next few

years, and will not in the foreseeable future attain any substantial proportions unless some unforeseen threat or change in world conditions occurs.

Table 7.1

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1950-1963
(IN MILLIONS OF DOLLARS)

Area: Africa		Fiscal Year						
Country	1950	1951	1952	1953	1954	1955	1956	
Ethiopia	-	-	-	-	3.9	9	4.0	
Totals	-	-	-	-	\$3.9	\$9	\$4.0	

Country	1957	1958	1959	1960	1961	1962	1963
Cameroon	-	-	-	-	-	.2	*
Comro	-	-	-	-	-	-	.1
Dahomey	-	-	-	-	-	1	*
Ethiopia	4.7	8.8	5.2	7.0	6.0	10.9	10.9
Ghana	-	-	-	-	-	*	*
Guinea	-	-	-	-	-	-	-
Ivory Coast	-	-	-	-	-	.1	*
Liberia	.1	-	*	-	.3	.4	1.2
Libya	-	1.1	.3	.9	.3	1.3	.4
Mali	-	-	-	-	.1	.7	.1
Morocco	-	-	-	*	2.1	1.5	6.1
Niger	-	-	-	-	-	.1	*
Nigeria	-	-	-	-	-	*	*
Senegal	-	-	-	-	*	.1	1.6
Sudan	-	-	-	-	2.7	2.3	5.7
Tunisia	-	-	-	-	-	.1	*
Upper Volta	-	-	-	-	-	-	-
Africa Area	-	-	1	5	-	-	-
Totals	\$4.8	\$9.9	\$5.6	\$8.4	\$11.5	\$17.8	\$26.1

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 7.1 (continued)

MILITARY ASSISTANCE PROGRAM (GRANT AID)
FISCAL YEARS 1964-1970
(IN MILLIONS OF DOLLARS)

Area: Africa	Fiscal Year							
	1964	1965	1966	1967	1968	1969	1970	
Country								
Cameroon	-	2.3	3.6	5.1	3.8	2.1	3.1	-
Congo	5.0	-	-	-	-	-	-	-
Dahomey	-	8.3	10.8	8.9	17.4	11.4	11.2	-
Ethiopia	10.3	-	-	-	-	*	.1	-
Ghana	*	-	.7	.2	-	-	-	-
Guinea	-	*	-	-	-	-	-	-
Ivory Coast	-	.5	.5	1.3	1.1	.7	.4	-
Liberia	.7	-	1.7	1.3	1.6	1.3	.3	-
Libya	1.5	2.2	1.7	2.6	1.6	-	*	-
Mali	2.2	.5	.5	.7	-	-	1.2	-
Morocco	6.0	2.3	3.1	5.2	6.6	2.0	-	-
Niger	-	-	-	-	-	-	*	-
Nigeria	.2	.3	.4	.2	.2	.1	*	-
Senegal	.5	.1	.1	.1	.2	-	-	-
Sudan	*	*	.3	.3	*	-	-	-
Tunisia	3.5	.9	.6	.7	1.7	3.6	5.4	-
Upper Volta	-	*	*	-	-	-	-	-
Africa Area	-	-	-	-	-	-	-	-
Totals	\$27.9	\$17.3	\$22.2	\$25.2	\$32.6	\$21.3	\$21.8	

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D. C., 1964; 1966; 1967; 1970; 1971.

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D. C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 7.2

DELIVERIES OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area: Africa		Fiscal Year					
Country	1950-1964	1965	1966	1967	1968	1969	1970
Congo	-	-	1.0	.1	.3	*	.1
Ethiopia	.6	-	.1	*	*	*	*
Ghana	-	-	-	-	*	-	.1
Liberia	1.1	*	.1	-	-	*	*
Libya	.2	.1	.2	.2	6.2	10.5	6.1
Mali	-	-	-	5.6	1.3	2.7	11.3
Morocco	-	-	*	*	*	*	*
Nigeria	.2	.2	*	*	.1	-	-
South Africa	.5	.3	1.9	1.5	-	-	*
Sudan	-	.1	-	*	-	-	-
Tunisia	2.7	-	*	*	-	-	-
United Arab Republic	.3	*	-	-	-	-	-
Africa Area	35.6	3.6	33.3	37.4	38.1	313.2	317.7
Totals	-	-	-	-	-	-	-

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

* Less than \$50,000.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Table 7.3

AFRICA MILITARY ASSISTANCE TOTALS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Country	Grant Aid Totals	Foreign Military Sales Totals
Cameroon	.2	1.5
Congo	25.0	-
Dahomey	.1	.7
Ethiopia	140.6	.1
Ghana	.2	-
Guinea	.9	-
Ivory Coast	.1	1.2
Liberia	7.1	23.5
Libya	15.5	.1
Mali	2.8	21.0
Morocco	36.5	-
Niger	.1	.4
Nigeria	1.2	-
Senegal	2.8	2.8
South Africa	-	1.5
Sudan	.7	2.9
Tunisia	27.1	.4
United Arab Republic	-	-
Upper Volta	.1	-
Africa Area	.1	-
Africa Totals	<u>\$261.1</u>	<u>\$55.9</u>

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.
NOTE: Values which remain classified because of inter-governmental agreement or because of their sensitive nature are included in the "Area Program" regional lines.

Chapter 8

Conclusions

The geographic emphasis by the United States in its Military Assistance Program has varied widely during the twenty-one year history of the program. As can be seen in the geographic areas (Chapters 2 thru 7) the United States was originally concerned with the recovery and defense of the European nations. From the inception of the program in 1950 thru 1960, the combined European nations were the prime recipients of United States Military Assistance Grant Aid. The threat of communist influence and take over in the area led to the formation of the North Atlantic Treaty Organization, and caused the United States to devote billions of dollars to the European nations to defend against that threat, and to contain communism.

During the early fifties it was also realized that to contain communism on the Western European front was not enough. The "underbelly" of the continent was extremely vulnerable to communist advances. Therefore during this same time period large sums of Military Assistance Grant Aid were recognized as necessary for three of the countries of the Near East and South Asia geographic areas. Consequently, large amounts of military aid were given to not only the Western European nations but also to Turkey, Greece, and Iran. As we thwarted the communist threat to Europe, the threat

shifted elsewhere. Serious problems arose in the East Asia area. First, the Chinese government of Chaing Kai-Shek on Formosa was threatened, and then the French Indochina situation appeared to be very unstable. The United States was therefore forced to recognize these new threats and respond with Military Assistance Grant Aid to these nations of the East Asia area. While aid was being given to these nations we found ourselves involved in a "hot war"; as the result of our mutual defense treaty with South Korea. The period 1952 thru 1955 reflects little Grant Aid assistance to Korea; the reason being that Korean arms were funded under the United States services budgets much like the Military Assistance Service Funded program of the Vietnam War period. As the Korean War drew to a close the United States began to furnish Grant Aid at a high dollar level to Korea and has continued to do so through 1970.

United States Military Assistance Grant Aid has been given to seventy-six countries since the program's inception in 1950. In 1950 only fifteen countries were recipients of this Grant Aid assistance. In 1970 forty-nine countries were receiving Grant Aid (plus the three East Asia Military Assistance Service Funded countries). Only five of the original fifteen nations also appeared on the 1970 list of nations receiving Grant Aid. They were Indonesia, Korea, Greece, Turkey and Norway. The maximum number of countries receiving Grant Aid in any one year was sixty-one in 1963.

World-wide the Military Assistance Grant Aid program

deliveries have totaled over thirty-four billion dollars during the twenty-one year period 1950 thru 1970. Total appropriation value by year is shown in Table 8.1. It should be noted that the appropriations have totaled four billion dollars more than the actual deliveries. This difference is represented by undelivered items and program cancellations.

The Foreign Military Sales program has actually been in existence since 1961. Although some sales were made to various countries prior to the passing of the Military Assistance and Sales Act under other provisions or acts, the majority of the total sales were the result of the 1961 Act. Annual summaries of Foreign Military Sales by area reveal nearly thirteen billion dollars of sales. (See Table 8.2). Actual sales have totaled approximately three and one third billion dollars more than actual deliveries. As with the Grant Aid program, this difference is represented by undelivered items and program cancellations.

The United States has made sales under the Foreign Military Sales program to seventy-five nations of the world since the inception of the program. Sixty nations received deliveries under the Foreign Military Sales program in 1970. However, it should be noted that the majority of the countries are small purchasers. Only thirty-three nations have taken delivery of over ten million dollars worth of goods. Only thirteen nations have taken delivery of over one hundred million dollars worth of goods. One nation, Canada, which is

Table 8.1

LEGISLATIVE HISTORY OF
MILITARY ASSISTANCE PROGRAM (GRANT AID)
APPROPRIATIONS
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Fiscal Year	Amount	Public Law Number	Presidential Signature Date
1950	31,314.0	81-430	10/28/50
1951	1,222.5	81-759	9/ 6/50
	4,000.0	81-843	9/27/50
1952	5,744.0	82-249	10/31/51
1953	4,219.8	82-549	7/14/52
1954	3,230.0	83-218	8/ 7/53
1955	1,192.7	83-778	9/ 3/54
1956	1,022.2	84-203	8/ 2/55
1957	2,017.5	84-853	7/21/56
1958	1,340.0	85-279	9/ 3/57
1959	1,515.0	85-853	8/28/58
1960	1,300.0	86-383	9/28/59
1961	1,800.0	86-704	9/ 2/60
1962	1,600.0	87-329	9/30/61
1963	1,325.0	87-872	10/23/62
1964	1,000.0	88-258	1/ 6/64
1965	1,055.0	88-634	10/ 7/64
	75.0a/	88-374	3/25/66
1966	1,170.0	89-273	10/20/65
	300.0a/	89-374	3/25/66
1967	792.0	89-691	10/15/66
1968	400.0	90-249	1/ 2/68
	100.0b/	90-392	7/ 6/68
1969	375.0	90-585	10/17/68
1970	350.0c/	91-194	2/ 9/70
Total	338,459.7		

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1971, p. 9.

a/ Supplemental appropriation for liquidation of prior obligations pursuant to Section 510 of the Foreign Assistance Act of 1961.

b/ Supplemental Appropriation Act for additional military assistance for Korea.

c/ Includes \$50 million additional for Korea.

Table 8.2

REGIONAL SUMMARY OF FOREIGN MILITARY SALES
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Geographic Area	1950-1965	1966	1967	1968	1969	1970	1950-1970
Total East & Pacific	699.4	174.3	134.9	164.3	158.3	172.8	1,504.1
Cash	545.5	162.3	113.3	96.9	132.3	132.8	1,183.1
Credit	153.9	12.1	21.6	67.4	26.0	40.0	321.0
Total Near East & S. Asia	368.0	355.3	354.1	345.6	606.7	246.2	2,275.9
Cash	194.5	87.6	95.7	135.3	383.5	216.2	1,162.7
Credit	173.6	267.7	258.4	160.3	223.3	30.0	1,113.2
Total Europe & Canada	4,804.7	1,180.7	524.8	521.8	863.2	472.3	8,367.5
Cash	4,694.4	1,180.7	524.8	521.8	863.2	472.3	7,257.3
Credit	110.2	-	-	-	-	-	110.2
Total Latin America	283.6	47.2	43.1	48.0	35.8	16.3	474.0
Cash	153.8	9.9	15.5	12.4	13.4	16.3	221.3
Credit	129.8	37.3	27.7	35.6	22.4	-	252.8
Total Africa	15.4	2.1	37.8	3.3	21.3	6.6	86.5
Cash	4.9	1.9	22.3	3.3	11.8	6.6	50.8
Credit	10.5	.2	15.5	-	9.5	-	35.7
Total International Org.	137.5	25.2	33.6	30.0	34.4	19.0	279.2
Cash	114.5	25.2	33.6	29.9	34.4	19.0	256.6
Credit	23.2	-	-	.1	-	-	23.3
Grand Total RMS	\$6,308.5	\$1,784.9	\$1,128.3	\$1,113.1	\$1,719.7	\$933.2	\$12,987.8
Cash	5,707.6	1,467.7	805.1	849.7	1,438.5	863.2	11,131.8
Credit	601.2	317.2	323.2	263.4	281.2	70.0	1,856.1

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1971, p. 21.

NOTE: Totals are sums of unrounded amounts, hence may vary from totals of rounded amounts.

not shown in the previous chapters is included in this total. Canada has taken delivery of nearly eight hundred million dollars worth of items under the program. In addition, over two hundred million dollars of sales have been made to international organizations and do not appear in the earlier chapters of this thesis.

Table 8.3 lists comparative data related to the top ten dollar value Grant Aid countries and the top ten Foreign Military Sales countries. As mentioned earlier, seventy-six countries have received Grant Aid assistance; however, the top ten recipients received over fifty-eight percent of the grand total. Of the seventy-five nations who have taken delivery of Foreign Military Sales items, the top ten have received over seventy-six percent of the grand total.

The aggregate dollar value total of Military Assistance deliveries under both Grant Aid and Foreign Military Sales has in the twenty-one year period exceeded forty-four billion dollars as shown in Table 8.4. Had the United States tried to provide the same quantity of defense to the free world through the use of United States forces, the cost to the American taxpayer would have exceeded this forty-four billion dollar figure by a vast amount. It must be remembered that the countries to which military assistance has been given, provided the manpower to utilize these weapons of defense furnished by the United States. The United States therefore has "bought" an enormous amount of defense and security for the free world at a bargain price.

Table 8.3

LEADING RECIPIENTS OF MILITARY ASSISTANCE
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Grant Aid		Foreign Military Sales	
Country	Amount	Country	Amount
France	4,153.1	Germany	3,138.8
Korea	2,930.3	United Kingdom	1,209.5
Turkey	2,789.3	Canada	1,797.2
China (Rep. of)	2,528.2	Australia	605.1
Italy	2,290.2	Iran	450.7
Greece	1,486.2	Italy	374.8
Vietnam	1,476.3	France	312.3
Belgium	1,237.6	Japan	197.5
Netherlands	1,217.0	Norway	146.1
United Kingdom	1,034.5	Belgium	115.0
Totals	\$20,142.7	Totals	\$7,347.0

Source: Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1964; 1966; 1967; 1970; 1971, p. 10, p. 11, p. 22, p. 23.

Table 8.4

MILITARY ASSISTANCE WORLD-WIDE
FISCAL YEARS 1950-1970
(IN MILLIONS OF DOLLARS)

Area	Grant Aid	Foreign Military Sales
East Asia and Pacific	10,354.7	994.6
Near East and South Asia	6,073.6	1,458.5
Europe	15,788.9	5,745.8
Latin America	752.2	395.2
Africa	261.1	55.9
Canada	1,141.2	797.2
International Organizations (Non Regional)		214.1
Totals	\$34,371.7	\$9,661.3

Source: Figures collected and compiled in Chapters 3 thru 7 of this thesis.

Although the appropriations for Military Assistance Grant Aid has shown a relatively steady decline since 1966, the current philosophy of the Nixon Doctrine indicates that future years will find fewer United States forces in foreign countries, but more Military Assistance Grant Aid dollar value being given to the allies for the defense and security of the free world. This aid will of course be given to those countries which for economic reasons cannot provide for themselves.

In the Foreign Military Sales area the economically sound nations of the free world will continue to account for the majority of the Foreign Military Sales program dollar value. However, it is anticipated that many of the emerging nations will also increase their dollar value purchases to a certain degree, during the next few years. It is further anticipated that annual sales should reach the two billion dollar level by fiscal year 1972 or 1973.¹ It therefore appears that the Foreign Military Sales program has reached a position where it is the principal program for Military Assistance and will continue to be so in the years to come.

Further Study

At the present time there does not appear to be a

¹Department of Defense, Military Assistance and Foreign Military Sales Facts, Washington, D.C., 1971, p. 19.

need for further study in the specific area of this thesis.

It is however, recommended that periodic update of this compendium be accomplished on a four or five year cycle. Military Assistance is such an important and broad subject, however, that continuing study in other areas of the program can and will prove fascinating and most worthwhile.

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13. ABSTRACT There exists no single compendium of Military Assistance (Grant Aid) and Foreign Military Sales dollar values by country, by year since the program's inception. The objective of this thesis was to present such a compendium and to illustrate that a trend existed from Grant Aid to Foreign Military Sales. Data was presented in tabular form by geo- graphic area for comparison, of annual dollar amounts of Military Assistance furnished. Analysis of the data illustrated the United States emphasis in particular geographic areas and countries has shifted to meet changing threats, and that a shift from Grant Aid to Foreign Military Sales has occurred.			
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